

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY PARIS PRIORITY

C O N F I D E N T I A L STATE 080803

PLEASE PASS ASSISTANT SECRETARY ENDERS

FOLLOWING REPEAT GENEVA 2338 ACTION SECSTATE INFO
BRUSSELS 4 APRIL.

QUOTE

C O N F I D E N T I A L GENEVA 2338

E.O. 11652: GDS

TAGS: GATT, ETRD, EEC

(A) STATE 219975 (OCTOBER 1974); (B) BRUSSELS 637; (C) GENEVA 2122

SUMMARY. LUYTEN OF EC COMMISSION HAS INFORMED US THAT COMMISSION IS CONSIDERING WAIVER-LIKE GATT DECISION AS MEANS OF REGULARIZING LOME CONVENTION UNDER GATT. ACCEPTABILITY OF IDEA WITHIN COMMUNITY WOULD DEPEND ON WHETHER COMMISSION COULD INDICATE THAT DECISION WOULD PROBABLY ENJOY GENERAL SUPPORT IN GATT, AND LUYTEN INFORMALLY SOLICITED OUR HELP IN THIS RESPECT BOTH WITH REGARD U.S. POSITION AND IN QUIETLY ADVANCING IDEA WITH OTHERS. END SUMMARY.

1. LUYTEN, EC COMMISSION REP IN GENEVA, CALLED ON MISSION APRIL 4 TO DISCUSS GATT HANDLING OF LOME CONVENTION. HE SAID GATT DG LONG HAS INFORMALLY SUGGESTED THAT GATT PART IV CONFIDENTIAL

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BE SOMEHOW AMENDED TO COVER LOME CONVENTION, GENERALIZED PREFERENCES, INTRA-LDC PREFERENCES, ETC. LUYTEN, WHILE SAYING HE DID NOT THINK EC WOULD HAVE ANY BASIC PROBLEMS WITH AN ATTEMPT TO BRING PART IV UP TO DATE, CONSIDERED

THAT THIS WOULD BE A TOO LONG DRAWN OUT PROCESS TO BE A MEANS OF DEALING WITH LOME CONVENTION WHICH HAS ALREADY BEEN INTRODUCED IN GATT (REFTEL C) AND WILL NEED TO BE CONSIDERED FAIRLY PROMPTLY. HE SAID THAT THERE WILL CERTAINLY BE SUGGESTIONS FROM EC MEMBER STATES THAT BEST WAY OF DEALING WITH CONVENTION IN GATT WOULD BE PRESENTATION UNDER ARTICLE XXIV AS FREE TRADE AREA (OR AREAS). HOWEVER, COMMISSION IS CONSIDERING PROPOSING A DECISION, SIMILAR TO AN ARTICLE XXV WAIVER, BUT WITHOUT BEING DESCRIBED AS WAIVER OR REFERRING TO ARTICLE XXV. HE SAID SUBSTANTIVE CONTENT OF SUCH DECISION WOULD BE A GATT AUTHORIZATION FOR LOME SIGNATORIES TO PUT CONVENTION INTO EFFECT. HE SAID GATT STATUS OF DECISION WOULD BE SIMILAR TO DECISIONS ON UAR-INDIAN-YUGOSLAVIA AGREEMENT AND ON INTRA-LDC PREFERENCES. HE SAID THESE DECISIONS IN EFFECT CONSTITUTED WAIVERS BUT WERE NOT SO LABELLED AND DID NOT CONTAIN REFERENCES TO ARTICLE XXV. (NOTE: THESE DECISIONS ARE CONTAINED IN BISD 16TH SUPPLEMENT P. 17 AND BISD 18TH SUPPLEMENT, P. 26. LATTER ACTION IS IN FACT LISTED IN GATT INDEX AS WAIVER ALTHOUGH TEXT DOES NOT REFER TO ARTICLE XXV.) HE THOUGHT SUCH APPROACH WOULD BE FAVORED BY U.S. ECOMIN RECALLED THAT WE HAD IN FACT EARLIER INFORMED COMMISSION THAT WE WOULD HAVE PROBLEMS WITH ATTEMPT TO LEGITIMATIZE LOME CONVENTION UNDER ARTICLE XXIV, AND THAT ARTICLE XXV WAIVER WOULD HAVE BEEN OUR PREFERRED SOLUTION, ALTHOUGH WE RECOGNIZED EC UNWILLING ASK FOR WAIVER (REFTEL A). IN VIEW OF THIS BASIC POSITION, HE THOUGHT IT LIKELY U.S. WOULD BE ATTRACTED BY IDEA OF GATT DECISION RESEMBLING WAIVER. (NOTE: GATT DEPUTY DIRECTOR PATTERSON RECENTLY CALLED US TO STRESS LONG'S AND HIS CONCERN THAT LOME CONVENTION MIGHT BE PRESENTED AND ACCEPTED UNDER ARTICLE XXIV. THEY CONSIDERED SUCH ACTION WOULD HAVE VERY DAMAGING EFFECTS FOR GATT. WE INFORMED HIM U.S. ALSO DID NOT LIKE IDEA OF DEALING WITH LOME CONVENTION UNDER ARTICLE XXIV.)

2. LUYTDN TATED THAT COMMISSION'S OWN DECISION ON METHOD OF PROCEEDING WOULD DEPEND PARTLY ON THEIR JUDGMENT CONCERNING RECEPTION REQUEST FOR DECISION WOULD RECEIVE IN GATT. IN CONFIDENTIAL

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ADDITION TO ASKING FOR CONFIRMATION THAT U.S. REACTION WOULD BE POSITIVE, HE SAID IT WOULD BE USEFUL IF I.S. (HERE IN GENEVA) COULD SOUND OUT OTHERS (GATT SECRETARIAT, SOME EFTA COUNTRIES, SOME LAS, SOME ASIAN LDCS) ON IDEA AND GIVE IT QUIET PUSH. HE NOTED THIS WOULD OF COURSE HAVE TO BE DONE VERY DELICATELY AND IN WAY THAT DID NOT LEAD TO COUNTER-REACTION BY EC STATES). IN RESPONSE TO OUR QUESTION WHETHER SUCH U.S. ACTION WOULD BE IN ACCORD WITH DESIRES OF TOP COMMISSION OFFICIALS WITH WHOM U.S. HAS DISCUSSED MATTER (SOAMES, GUNDELACH), LUYTEN RESPONDED AFFIRMATIVELY.

3. ACTION REQUESTED. WASHINGTON REACTION TO (1) IDEA OF WAIVER-LIKE DECISION AND (2) SUGGESTION THAT WE QUIETLY AND

INFORMALLY ADVANCE IDEA WITH OTHERS. DALE UNQUOTE KISSINGER

CONFIDENTIAL

<< END OF DOCUMENT >>

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